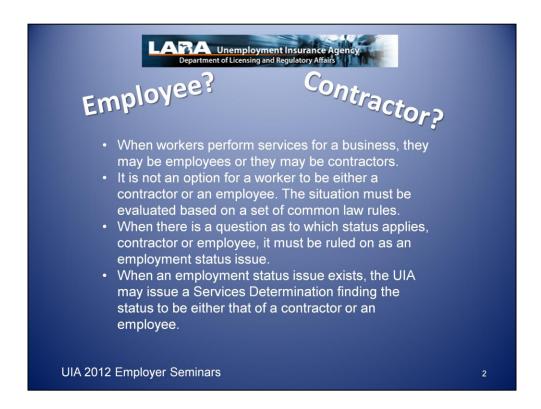


New!

2012 Contractor (1099) Amnesty Program of the Michigan Unemployment Insurance Agency



Have you been reporting your workers as employees or contractors?

Employers sometimes believe that they may agree or contract as to the status of their workers. Any agreement made as to the status of the workers, contractor or employee, is unenforceable if it does not comply with the laws governing the status. If a worker who has been considered a contractor files a claim for unemployment benefits, it is necessary for the Unemployment Agency to make a Services Determination to determine whether the contractor is actually an employee.

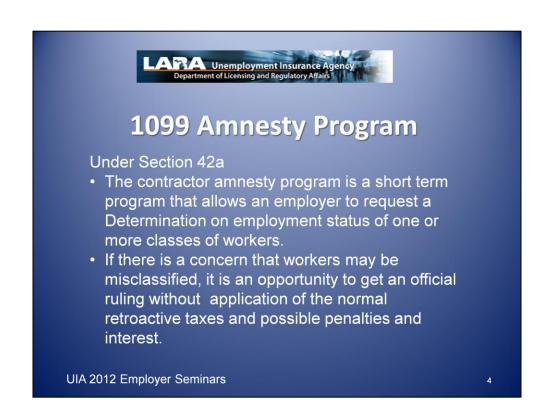


- a) Employees earn wages or salaries.
- b) Contractors have profits or losses.
- c) Employees may collect unemployment benefits while contractors are excluded from benefits.
- d) Employers are liable for taxes on their employees but not on their contractors.
- e) Should a business improperly classify their workers as contractors but the these workers are later found to be employees, the business may face substantial tax liability.

UIA 2012 Employer Seminars

3

Worker misclassification occurs when an employer incorrectly classifies a worker as a non-employee. There are many differences between contractors and employees. If a business classifies a contractor as an employee, the business may pay too much in taxes. If the business improperly reports an employee as a contractor, it may face substantial taxes, interest and penalties. The improperly classified worker could cause tax liability from several taxing authorities.



The amnesty program has been passed, and is Under Section 42a.

If you are uncertain about the classification of your workers, this is a great opportunity to resolve the questions once and for all.



This is a limited time program that reduces or eliminates most of the financial concerns that a business may have about bringing attention to workers who may not be properly classified.

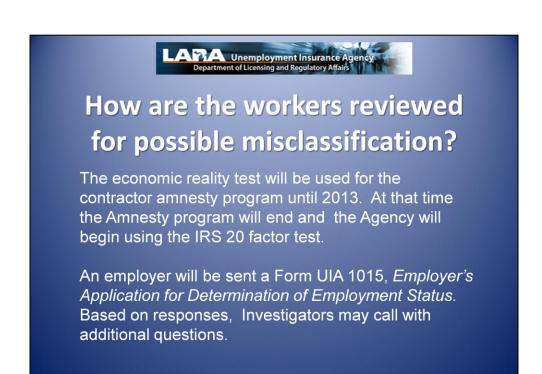


How to Apply

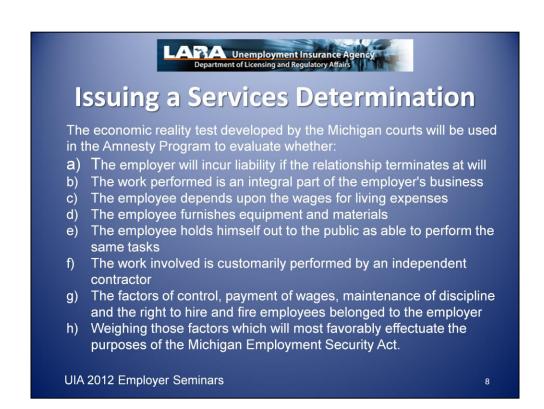
To apply for the contractor amnesty program contact:

Office of Employer Ombudsman (OEO) 1-855-4UIAOEO (855-484-2636).

Outside of Michigan, please call 1-313-456-2300. You can also email to OEO@michigan.gov.



UIA form 1015 is available online at the UIA's public website. Since this form will be used to collect information about the classes of workers, it can be completed in advance.



This slide outlines the factors used in the Economic Reality test, which will be used for the Amnesty Program.



Protests and Appeals

If you receive a Determination on the workers in question, you may disagree.

If you disagree with an Agency Determination, you must make a timely protest in writing within 30 days of the determination mail-date.

